



OFFICE OF THE MAYOR

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May 18, 2005

Representative John Stakoe, Chair
Members of the Local Government & Urban Policy Committee
House Office Building
P.O. Box 30014
Lansing, MI 48909-7514

Dear Honorable Committee Members:

House Bill 4473, as proposed, will severely and negatively impact local governments' ability to address housing and quality of life matters for their residents. It will also take away legitimate measures to recover costs and instead shift those costs to local taxpayers.

The City of Kalamazoo joins the Michigan Municipal League and the Michigan Association of Housing Officials in their opposition to this bill.

In 2003, the City of Kalamazoo initiated an incentive-based cost recovery system for our rental housing certification program. However, fees recovered by the City of Kalamazoo still do not cover all of the costs of implementing this program; this means that local taxpayers continue to fund a portion of the inspections. Hindering the ability to collect reasonable fees will shift even greater costs onto the general taxpayer.

Since implementing a systematic rental registration and certification program in the late 1970s, the City of Kalamazoo has experienced improvements in housing quality, increases in property values (both rental and owner-occupied properties) and increased neighborhood stability and quality of life.

The language proposed in House Bill 4473 would have many deleterious effects on how municipalities inspect, enforce, secure and reasonably recover the costs associated with providing safe and sanitary housing. House Bill 4473:

- Restricts the ability to provide detailed violation accounting by requiring repeated violations to be counted singly. Also, by increasing the minimum correction deadline to 30 days or less (including those violations which affect immediate

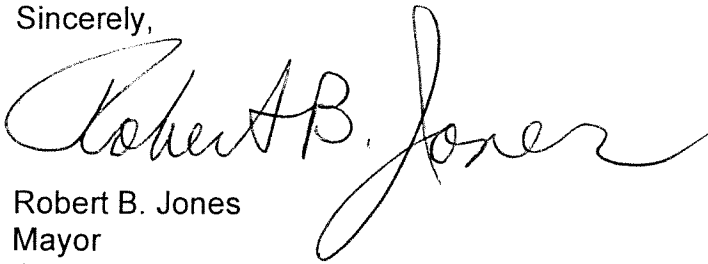
health, safety and welfare), this bill interferes with a citizen's right to safe and sanitary housing. This would allow people to live in homes with extremely unsanitary or unsafe conditions, such as a basement full of sewage, unsafe wiring, no heat, no hot and/or running water and no smoke detectors. Currently, these types of violations are to be address within 1 to 5 days.

- Eliminates the cost recovery fees that municipalities use to recover reasonable costs by defining "actual, reasonable cost" to mean only the hourly rate of the employee for the actual inspection time. Unfortunately, this ignores the vast majority of the cost associated with code enforcement. These costs include: administrative overhead costs; vehicle costs; office space, supplies and equipment; and additional staff expenses associated with enforcement, such as sending letters/notices, processing reports, tracking compliance, responding to community concerns, billing, documenting certification, and court appearances. Additionally, for small municipal governments that contract for inspections, only the fee charged by the contractor can be passed on. This will shift the cost of ensuring safe rental housing to the general taxpayer, and remove municipalities' ability to penalize irresponsible housing providers. In a market system, this puts those irresponsible housing providers at an advantage over responsible housing providers. Governments can no longer afford to subsidize the enforcement of minimal housing safety ordinances—housing providers must bear the real cost of providing safe housing.
- Requires that invoices to the housing provider not be paid until a "detailed description" of the fees charged are provided to the owner. This is a very subjective requirement. The City of Kalamazoo housing ordinances currently provide an option to appeal unreasonable charges or correction requirements that are deemed unspecific or unreasonable. Requiring a detailed transcript of every inspection is unreasonable and cost-prohibitive. The current practice, providing a correction notice to the homeowner detailing any violations found at the inspection, is a reasonable alternative to this requirement.
- Restricts inspections on HUD- and MSHDA-funded rental properties to be limited to a complaint basis, removes any mention of the right to inspect single-family dwellings, and increases the minimum frequency for inspecting multiple unit properties to 5 years. This means any landlord who receives funding from the state or federal government would not have to be inspected unless the tenant complains. To whom do they complain? Many rental units are occupied through a verbal month-to-month lease, and when the tenants complain, the landlord evicts them. This requirement will be harming the most vulnerable in our society. Multiple units and single/duplex units that have many bedrooms generally consume most of municipal code enforcement resources and have the greatest effect on neighborhood quality of life—it is important to allow for more frequent inspections of these properties.
- Eliminates inspections by geographical area and restricts inspection frequency without concern for property conditions or occupancy. The City of Kalamazoo performs comprehensive code enforcement based upon geographic area, and

responds to citizen complaints by investigating and issuing violation notices. This has proven successful in responding to specific needs in specific neighborhoods. Because certain neighborhoods have specific needs and issues, it is important to cater to them as much as possible. Municipalities must have the ability to be flexible and responsive to needs in the community.

The City of Kalamazoo strongly urges the committee to **NOT** recommend any changes that would further limit local governments' ability to ensure that safe and decent housing is provided to the community. Thank you for your consideration of this very important issue.

Sincerely,

A handwritten signature in cursive script that reads "Robert B. Jones". The signature is fluid and elegant, with a large initial "R" and a long, sweeping underline.

Robert B. Jones
Mayor
City of Kalamazoo